



Williams Tower
2800 Post Oak Boulevard
Suite 4200
Houston, TX 77056
Tel. 713.629.0090
Fax 713.629.0227
www.ryan.com

VIA ELECTRONIC MAIL

September 20, 2019

Mr. William B. Swingle
Vice President &
Chief Accounting Officer
Fieldwood Energy LLC
2000 W Sam Houston Pkwy S
Suite 1200
Houston, Texas 77042

RE: Federal Oil & Gas Royalty Services

Dear Mr. Swingle:

Thank you very much for the opportunity to assist you with minimizing the Federal oil and gas royalty liability of Fieldwood Energy LLC and its Subsidiaries ("Fieldwood"). As discussed, this letter (the "Agreement") outlines the terms and conditions of our engagement to assist Fieldwood with a Federal oil and gas royalty review.

ENGAGEMENT SCOPE

Retrospective Savings

Ryan will assist Fieldwood with a royalty review concentrating on the recovery of royalties paid on oil and gas that was produced from Federal waters. Ryan shall perform all necessary services to identify, calculate, certify, and recover all available royalty credits, refunds, and liability reductions on oil and gas royalties paid by Fieldwood. Our approach is specifically designed to target royalty credit, refund, and liability reduction opportunities without significant assistance or effort from personnel at Fieldwood.

Our services will include, but not be limited to, the following Federal royalty credit, refund, and liability reduction opportunities:

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- Recalculation of the oil and gas transportation allowances in order to reduce the value subject to royalty,
- Recalculation of the gas processing allowances in order to reduce the value subject to royalty, and
- Royalty credits associated with reporting and other compliance issues.

Ryan shall acquire historic royalty reporting data from the United States Office of Natural Resources Revenue ("ONRR") in order to identify, analyze, document, and recover potential royalty credits and refunds resulting from return compliance issues, including but not limited to duplicate entries, double reporting by multiple parties, mishandled amendments, valuation discrepancies, and volume imbalances.

We will focus on qualifying credits, refunds, and liability reductions that Fieldwood has previously identified but not pursued, as well as those not previously identified by Fieldwood. Our services will include all research and other activities that are required to minimize Fieldwood's federal royalty liability, including negotiating with ONRR personnel.

All requests for refunds, credits, or liability reductions made by Ryan are subject to Fieldwood's approval. Fieldwood agrees not to unduly withhold or delay such approval.

Prospective Savings

Ryan will assist Fieldwood with preparing Fieldwood's monthly non-arm's length transportation allowance deductions and performing the annual true-up and refile of the ONRR-2014s. Ryan shall perform all necessary services to identify, calculate, certify, and recover all available royalty credits, refunds, and liability reductions on oil and gas royalties paid by Fieldwood related to Fieldwood's non-arm's length transportation allowances.

Our services will include, but not be limited to, the following Federal royalty credit, refund, and liability reduction opportunities:

- Calculation of the monthly non-arm's length oil and gas transportation allowances in order to reduce the value subject to royalty,
- Annually perform a recalculation of the non-arm's length oil and gas transportation allowances,
- Prepare and submit ONRR-2014 amendments for the annual true-up.

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2016 Rule Advisory Services

Ryan shall provide such advisory services related to the Consolidated Federal Oil & Gas and Federal & Indian Coal Valuation Reform regulations ("2016 Rule") including:

- Research the potential impact of the 2016 Rule on Fieldwood;
- Facilitate meetings between Ryan and Fieldwood personnel around the 2016 Rule;
- Advise Fieldwood with the preparation of any necessary prior period adjustments ("PPAs") to the ONRR-2014s.

Due to the uncertainty associated with ONRR's implementation of the 2016 Rule, Ryan makes no representation, guarantee, or warranty for any advisory services provided herein. Ryan is not liable for any failure to identify a particular exposure that arises in connection to the 2016 Rule.

ENGAGEMENT PERIOD

Retrospective Savings

Our review will cover all periods open by law through [REDACTED]

Prospective Savings

Our services relative to the Prospective Savings will cover [REDACTED]
[REDACTED]

ELECTRONIC DATA FILES

Fieldwood agrees to provide electronic data files to Ryan that will facilitate the identification and location of records to be reviewed. Ryan generally utilizes general ledger, accounts payable, and royalty/tax accrual data in text/ASCII files, database files, or spreadsheet files. Ryan will assist Fieldwood's information systems personnel with determining the appropriate system file layouts, required data fields, and file types. Fieldwood further agrees to assist Ryan in using Ryan's data extraction applications and other tools by providing all necessary access and configurations. Fieldwood acknowledges that Ryan's data extraction applications and other tools are proprietary to Ryan, and Fieldwood shall acquire no rights whatsoever with respect to such applications and other tools.

Additionally, Fieldwood agrees to provide reasonable access to any available company engineers, foremen, and/or commodity marketing personnel. Further, Fieldwood agrees to provide access to any available well files and/or production data for Ryan's use in providing these services to Fieldwood. Fieldwood shall use reasonable efforts to provide such detail to Ryan, but Fieldwood

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will be under no obligation to create detail that does not presently exist. Ryan agrees to execute an appropriate confidentiality agreement to the extent any records requested are currently held by a former owner of the applicable property, and such former owner requires the execution of such confidentiality agreement.

Fieldwood agrees that all electronic data files shall be transferred by Fieldwood to Ryan through a secure transfer site or by methods approved in advance by Ryan and Fieldwood. The following data sites are approved by Ryan for such transfer: SFS and SFTP. In facilitation of this transfer, Ryan shall provide specific transfer instructions to Fieldwood when the electronic data files are prepared for delivery. Fieldwood further agrees that neither Fieldwood nor any employee or agent of Fieldwood shall transmit PII (as defined below) to Ryan without first (a) having reached an agreement with Ryan as to the date, time, and method of such transmission; (b) identified the particular types of PII; and (c) represented to Ryan that Fieldwood is not restricted from transferring the PII. "PII" is any information that can be used to identify, contact, or locate an individual, either alone or combined with other easily accessible sources, or as defined by applicable law. PII includes information that is linked or linkable to an individual, such as medical, educational, financial, and employment information.

RESPONSIBILITIES

All services will be conducted under the supervision of Mr. Jonathon D. Travis, Principal, who serves as Engagement Principal. Additionally, throughout the course of this engagement, we will make every effort to arrange and schedule all work to avoid interruption to Fieldwood's normal business operations.

COMPENSATION

Retrospective Savings

1. *Non-Adjudicated Claims* – In the event Ryan obtains any royalty refunds, credits, or liability reductions for Fieldwood, Fieldwood agrees to pay Ryan [REDACTED] the appropriate percentage, [REDACTED] of any such reductions that Fieldwood receives:

[REDACTED]
[REDACTED]

In addition, Fieldwood agrees to pay Ryan such fee as outlined above, for [REDACTED] adjustments to a federal royalty account [REDACTED] applicable to the audit period. Fieldwood agrees that Ryan's fees shall be based upon the [REDACTED] and shall not be reduced by any existing liabilities of Fieldwood that may be applied or offset against such

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amounts. If Fieldwood obtains any royalty refunds, credits, or reductions for any other locations or affiliated entities applicable to the audit period using Ryan work products, Fieldwood agrees to notify Ryan and pay Ryan as outlined herein.

2. *Adjudicated Claims* – In the event of any litigation or other adjudication of any claims or issues (an “Adjudication”), Fieldwood agrees that Ryan has the right to engage legal counsel to represent Fieldwood at Ryan’s expense, subject to Fieldwood’s approval. Fieldwood further agrees not to unreasonably withhold such approval. In the event Ryan obtains any refunds, credits, or reductions as a result of an Adjudication, Fieldwood agrees to pay Ryan [REDACTED] the appropriate percentage, [REDACTED] of any royalty refunds, credits, or reductions Fieldwood receives as a result of the Adjudication, [REDACTED]. Our fee for the savings recovered in an Adjudication will be invoiced on the date in which a final, non-appealable judgment is obtained in the Adjudication.
3. *Follow-On Claims* – In the event Ryan obtains any refunds, credits, or reductions as a result of an Adjudication, and, within the following twelve (12) production months Fieldwood receives any royalty refunds, credits, or reductions in connection with other transactions due to substantially the same legal issue(s) as matters resolved in favor of Fieldwood in the Adjudication, Fieldwood agrees to pay Ryan [REDACTED] the appropriate percentage [REDACTED] of any royalty refunds, credits, or reductions, [REDACTED] through the date in which a final, non-appealable judgment is obtained in the Adjudication, regardless of whether obtained by Ryan.

Our fee for savings realized on transactions involving substantially the same legal issue(s) as matters resolved in the Adjudication will be invoiced upon approval by Fieldwood of any such savings (including correspondence approving schedules or the submission to ONRR of an original or amended return reflecting a credit or reduction of any audit assessment or deficiency).

Prospective Savings

Fieldwood agrees to pay Ryan and hereby assigns to Ryan, as compensation for this service, [REDACTED]
[REDACTED]
[REDACTED]

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[REDACTED]
[REDACTED] Ryan's invoice for Prospective Savings received or realized by Fieldwood will be invoiced at the time the original royalty report is filed.

All invoices are due and payable in full within thirty (30) days. Ryan accepts checks, electronic funds transfers (EFTs), credit cards, and purchasing cards. If payment is made using a credit card or purchasing card, Fieldwood authorizes Ryan to add a processing fee to the payment. Such processing fee is currently three percent (3%) of the payment amount and is subject to change upon thirty (30) days prior notice.

NOTICE

Any notice to be given under this Agreement shall be given in writing and may be made by personal delivery or hand delivery by courier, by overnight reputable national courier, or by placing such in the United States certified mail, return receipt requested. Notices to Fieldwood should be sent to the address indicated on the first page of this Agreement and notices to Ryan should be addressed as follows:

Ryan, LLC
Three Galleria Tower
13155 Noel Road
Suite 100
Dallas, Texas 75240
Attn: Chairman and CEO

With a copy to: Attn: General Counsel

INTEGRITY AND CONFIDENTIALITY

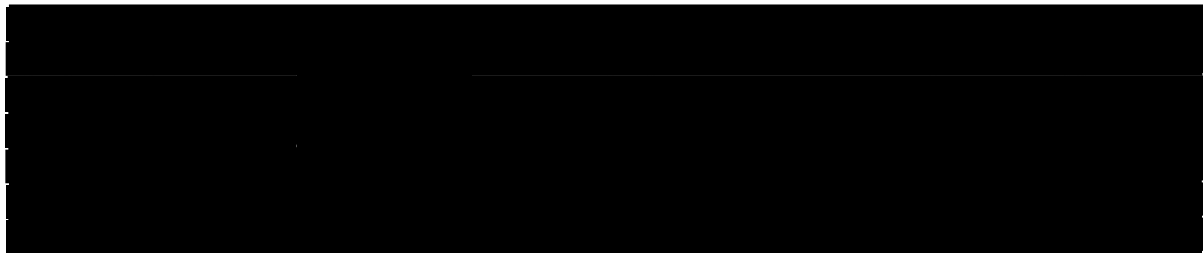
We guarantee that all matters associated with the professional services we render will be directed with the highest degree of professional integrity. Accordingly, all information that Fieldwood makes available to Ryan shall be considered confidential, proprietary information, and Ryan shall not disclose such information to any third party except as required in fulfilling duties described by this Agreement or to comply with an official order of a court of law.

Additionally, Fieldwood agrees that Ryan's work product, including specific engagement procedures and techniques, constitutes proprietary and exclusive information, and Fieldwood further agrees not to disclose such information to any third party without obtaining prior written approval from Ryan. Additionally, Ryan's royalty saving strategies constitute proprietary and exclusive information; provided, however, that notwithstanding the foregoing, Ryan does not limit

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Fieldwood's disclosure of the royalty treatment or the royalty structures of the transactions. This Agreement does not include information independently developed by Fieldwood, information previously known to Fieldwood, or information rightfully received by Fieldwood from a third party without confidential limitations.

FEE REIMBURSEMENT



LAW GOVERNING AGREEMENT

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Exclusive venue for any dispute with respect to this Agreement shall reside in a court of competent jurisdiction in Houston, Harris County, Texas.

ACKNOWLEDGMENT

Thank you for the opportunity to assist you with this project. If the above terms and conditions meet with your approval, please sign and return the enclosed copy of this Agreement at your convenience. Upon acceptance, we will contact you to arrange a mutually acceptable time to begin our review. If you have any questions, or if you would like to discuss this Agreement further, please contact Mr. Jonathon Travis at 713.357.4766.

RYAN, LLC:

By: _____

Name: Jonathon D. Travis

Title: Principal

Date: 09/20/2019

FIELDWOOD ENERGY LLC:

By: _____

Name: William B. Swingle

Title: Vice President - Chief Accounting Officer

Date: 23 September 2019